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GIANT MASCOT MINES LIMITED

(Non-Personal Liability)

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SIXTEENTH ANNUAL REPORT 1966





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SIXTEENTH ANNUAL REPORT

GIANT MASCOT MINES LIMITED

(Non-Personal Liability)

(Incorporated under the Laws of the Province of British Columbia)

Listed on the Vancouver and Toronto Stock Exchanges.

DIRECTORS A. J. CHILCOTT, Vancouver
J. L. GIBSON, Vancouver
W. C. GIBSON, Vancouver
DR. W. A. McELMOYLE, Victoria
L. P. STARCK, P.ENG., Vancouver
P. A. WOOTTEN, Vancouver

OFFICERS W. C. GIBSON, President
P. A. WOOTTEN, Vice-President
L. P. STARCK, P.ENG., Vice-President and General Manager
A. H. AINSWORTH, Secretary
S. CLARKE, F.C.I.S., Treasurer

GENERAL MANAGER L. P. STARCK, P.ENG., Vancouver

RESIDENT MANAGER FRANK HOLLAND, Hope

REGISTERED OFFICE 625 - 925 West Georgia Street, Vancouver

ADMINISTRATIVE OFFICE 1825 Marine Building, Vancouver

REGISTRAR AND TRANSFER AGENTS Canada Permanent Trust Company, Vancouver and Toronto

GENERAL COUNSEL Ainsworth, Henson, Norby, Purvis & Kendall, Vancouver

AUDITORS Helliwell, Maclachlan & Co., Vancouver

ANNUAL GENERAL MEETING JANUARY 27, 1967, 3:00 P.M., HOTEL VANCOUVER, VANCOUVER, B.C.

GIANT MASCOT MINES LIMITED

(Non-Personal Liability)

REPORT OF THE DIRECTORS



To the Shareholders of Giant Mascot Mines Limited (N.P.L.)

The Directors are pleased to submit the Sixteenth Annual Report of the Company, together with a statement of Source and Application of Funds and a comprehensive report on operations, including brief reports on our subsidiary and associated interests, by our General Manager.

During the past year, dividends in the amount of 5c per share in the form of paid capital stock in Giant Explorations Limited (N.P.L.) were paid to shareholders of record.

Your attention is particularly called to the statement of Source and Application of Funds which shows the substantial investments made by the Company during the past year in both the Giant Soo property at Wasa, which is now in full operation on a satisfactory basis, and in the development and acquisition of the properties formerly owned by Canam Copper Company Limited.

At this time we wish to welcome into the Giant Mascot group those new shareholders who have joined us by exchanging their Canam shares for Giant Mascot shares. We are confident that the combined groups will benefit from the merger, both in strength and operational efficiency. Some of these benefits are reflected to a substantial degree in this report.

For the purpose of making this year-end statement as conservative as possible, advances to Giant Soo Mines Limited (N.P.L.), which had formerly been carried in current assets, have been placed in deferred accounts, although it is expected that these advances will be repaid within eighteen months. Similarly, balances owing on the acquisition of the Canam properties are carried in our current liabilities.

It is with deep regret that your Directors have to report the death of Mr. Roger Hoyland, who was the Company's auditor since incorporation. Mr. Hoyland took a personal interest in our affairs and had the confidence of our entire staff.

Your Directors appointed the firm of Helliwell, MacLachlan and Company to complete this year's audit.

New agreements made with the purchaser of our concentrates in the latter part of 1965 and effective on the 1st of March, 1966, materially helped returns from our nickel production, as did the price increase over the year for copper. Further increases in the price of nickel effective this past November will be of substantial benefit in our 1966 - 67 year.

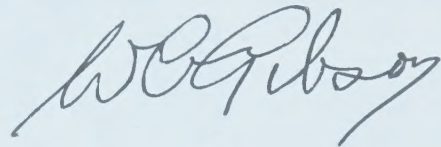
The development of the important higher grade tonnages in the 1500 ore body at our nickel property will facilitate the maintenance of grade and tonnage on a consistent basis.

The past year has been a busy and strenuous one for management and staff. The bringing into production of the Giant Soo property called for and received the support of the entire organization as did the extensive exploration and examination programs we have carried out.

We enter this year with better property values, a better earning forecast and a better long-range outlook than at any time in the history of our Company.

The Directors wish, again, to express to management their appreciation for the unstinting leadership and encouragement they have given to their Departments, and to our staff members for their loyal support and whole-hearted co-operation.

On behalf of the Board,

A handwritten signature in dark ink, appearing to read 'W.C. Gibson', with a stylized, sweeping flourish at the end.

Vancouver, B.C.
December 28, 1966.

W. C. GIBSON
President.

GIANT MASCOT MINES LIMITED

(Non-Personal Liability)

December 20, 1966

The President and Directors,
Giant Mascot Mines Limited (N.P.L.),
1825 - 355 Burrard Street,
Vancouver 1, B.C.



Dear Sirs:

The year ended September 30, 1966 has proven to be one of the most significant in the Company's history. During the year, the Company earned greater profits, established larger nickel-copper ore reserves of higher grade at the nickel mine, acquired a copper property with a proven tonnage in excess of 2,600,000 tons, and placed a lead-zinc mine in production.

Net Smelter Returns and Profit

	Net Smelter Returns		Operating Profit		Net Profit	
	Per Year	Per Ton	Per Year	Per Ton	Per Year	Per Ton
1966.....	\$2,391,891	\$7.21	\$719,382	\$2.17	\$362,390	\$1.09
1965.....	2,333,352	7.06	664,401	2.01	291,190	0.88
1964.....	2,324,855	7.16	653,456	2.01	303,652	0.94

The improved earnings reflect the increase in the copper price and tax write-offs incidental to the acquisition of the Canam holdings.

Production

	1966	1965	1964
Ore treated (tons).....	331,579	330,421	324,635
Nickel-Copper concentrates produced (tons).....	17,906	19,723	19,484
Nickel recovered (pounds).....	3,476,303	3,933,680	3,958,393
Copper recovered (pounds).....	1,838,672	2,053,617	1,945,145
Grade of ore treated — % nickel.....	0.66	0.76	0.78
Grade of ore treated — % copper.....	0.33	0.34	0.34

A record tonnage was treated during the year and slightly lower ore grades were taken in order to obtain maximum extraction from the stoping areas.

Operating Costs

	1966	1965	1964
Mining.....	\$2.52	\$2.33	\$2.31
Concentrating.....	1.26	1.22	1.34
Administration.....	0.42	0.52	0.45
Development and Exploration.....	0.87	0.97	1.04
	<u>\$5.07</u>	<u>\$5.04</u>	<u>\$5.14</u>

The Company takes pride in having held the line with operating costs over a period which was characterized by high labour turnovers and spiralling wage and supply costs. The reduction in footage driven during the year, which resulted from the difficulty in obtaining experienced underground personnel, is reflected in lower development costs. Administration costs, which include insurance, property taxes, transfer agency costs, legal and auditing fees, etc., were lower.

Ore Reserves

	<u>1966</u>	<u>1965</u>	<u>1964</u>
Tons.....	830,515	757,464	1,014,840
% Nickel.....	0.92	0.81	0.95
% Copper.....	0.30	0.32	0.35

The proven and probable ore reserves were increased to 830,515 tons, grading 0.92% nickel. This represents an increase of some 10% in tonnage and 13.5% in nickel content notwithstanding that increased allowances of 10% and 20%, respectively, have been taken for extraction and dilution factors.

These increased ore reserves have been outlined mainly in the 1500 zone where 353,163 tons were established, grading 1.31% nickel and 0.39% copper. This new zone, which extends without a break from the 3550 level down to the 2600 level, is the highest grade zone found by the Company during its operations on the property.

By way of exploration for further new ore zones and for extensions of known ore zones, an extensive diamond drilling program is currently in progress on the 2900 and 3250 levels.

During the period July 1, 1959 to September 30, 1966, 2,170,403 tons of ore, grading 0.84% nickel and 0.33% copper, have been mined. It is significant to note that the total tonnage mined to date, plus present reserves, is equal to a figure three times the established ore reserves at the time the Company acquired the property in 1959. It is not unreasonable, therefore, to assume that the continuation of a sustained exploration program should result in the establishment of new reserves each year to replace the tonnages extracted, as has been the case for the last seven years.

Mining

	<u>1966</u>	<u>1965</u>	<u>1964</u>
Raising.....	4,771	5,447	5,547
Drifting.....	3,442	3,330	3,192
Longholing.....	173,499	195,909	198,435
Diamond Drilling.....	41,220	41,382	43,386

A large percentage of the 1.55 miles of development work and the 7.8 miles of diamond drilling was done to explore and develop the 1500 zone. At present, the section of this zone between 2600 and 2900 levels, is in partial production. The high grade from this section runs from 3 to 22% nickel. By May, 1967, the 1500 zone will be in full production.

The Brunswick No. 2 produced 11.2% of the production; the Pride of Emory, 11.1%; the 1600 zone, 22.6%; the 1500 zone, 13.6%; the 1900 zone, 11.3%; and the 600 zone, 9.9%; the remainder was from the 512, Brunswick No. 1, Brunswick No. 5 and 2663 ore zones.

Concentrator

Excellent operational and metallurgical control was achieved in the concentrator during the year. The nickel recovery was improved by 1.1% to 79.4%, and the copper recovery was maintained at 92.4%. The daily operating tonnage averaged 1,312 tons per day.

Capital Expenditures

In total, a sum of \$47,267 was spent on plant and equipment, of which \$22,168 was for underground equipment, \$7,438 for concentrator equipment, \$7,951 for mobile equipment and the balance for miscellaneous items.

Outside Exploration

Ninety-six claims in the Likely area, north-east of the Cariboo Bell property, were acquired jointly with Giant Explorations Limited (N.P.L.). A geochemical survey and surface stripping program is being carried out on this property.

Other properties were examined throughout British Columbia.

In addition, Giant Mascot holds a 32% share interest in Giant Explorations Limited (N.P.L.) and provides management for that Company. Giant Explorations has been extremely active in the Northwest Territories, Yukon Territory and British Columbia. A full report on that Company's field program for 1966, which, of course is still in progress, will be made to its shareholders early in 1967.

General

The critical shortage of underground personnel caused by the booming economy in British Columbia has persisted throughout the year. As a result, the turnover of employees increased from 192 men in 1965 to 512 in 1966, with a resultant loss in development and longhole footage and higher mining and concentrating costs.

A two-year labour contract was negotiated with the Highland Valley and District, Mine and Mill Works Union, effective June 24, 1966, for an average increase of 27¢ per hour for the first year and 15¢ per hour for the second year.

Canam Copper Project

This year the Company after completing its exploration commitment on the Canam property, as well as a supplementary program to obtain additional data, decided, after receiving reports from its independent consultants, J. A. C. Ross and Associates and Wright Engineers Limited, to acquire the property outright. The acquisition of the property, which was completed prior to the year end, made available for future development mineable ore reserves of 2,600,000 tons, grading 1.28% copper, 0.015 oz. gold, 0.65 oz. silver, and 0.03% molybdenum.

As the first phase in the future development of this property for production, an engineering study involving the sampling of all available unsplit cores, primarily those obtained by previous operators, is presently being carried out to determine if there are any tonnages of low grade copper in the areas of the mine explored to date which could be included in the ore reserve analysis.

Less than 20% of the main Canam breccia zone has been explored, and there are many geologically favourable targets within the zone which must be tested before the full potential of the property is established. Certain of these targets will be explored prior to a production commitment as the results could have a major bearing on the location of the shaft, size and location of the concentrator, financing, etc. Therefore, as the second phase of the present program, exploration and development will be undertaken in early 1967, with the two-fold objective of increasing the presently known reserves of plus 1.20% copper ore and of ascertaining if a large tonnage of 0.5% to 0.6% copper ore could be developed which would lend itself to low cost block caving or open pit mining.

Giant Soo Mines Limited (N.P.L.)

Giant Soo Mines Limited (N.P.L.), the operating Company of which Giant Mascot Mines Limited (N.P.L.) holds 60% and Copper Soo Mining Company Limited (N.P.L.) holds 40%, acquired the lead-zinc mine, near Wasa, B.C., from Copper Soo. This mine was placed in production by Giant Mascot in September, 1966.

Capital expenditures incurred by Giant Mascot totalled \$490,284 of which \$397,673 was for the concentrator, living accommodations, mine and mobile equipment, etc. and the balance for mine and concentrator preproduction expenditures.

Initially, it was anticipated that the plant would treat some 120 tons per day. However, the daily tonnage treated has been increased to 150 tons to reduce the effects of lower metal prices and the somewhat lower grade of ore extracted initially.

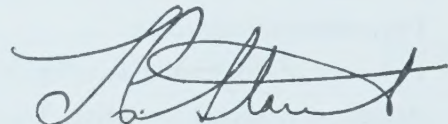
Summary

The year, 1965 - 1966, was a successful year for the nickel mine at Hope, B.C. The ore reserves were increased to 830,515 tons, grading 0.92% nickel and 0.30% copper, after treating a record 331,579 tons. The net profit for the year increased by 24%. With the recent 7½¢ increase in the nickel price, high copper prices and the 13.5% increase in nickel content of the ore reserves, we can look with confidence to substantially increased operating profits in the coming year.

On the basis of the expected performance at the nickel mine and the favourable exploration possibilities at Canam and Giant Soo, the potential of the Company has been greatly enhanced.

Sincere appreciation must be accorded to the men who contributed so much to the excellent performance during the year, namely, the managers, superintendents, and permanent employees. The support of the President and Directors is gratefully acknowledged.

Yours truly,

A handwritten signature in dark ink, appearing to read 'L. P. Starck', with a stylized, flowing script.

L. P. STARCK, P.Eng.
General Manager.

GIANT MASCOT MINES LIMITED

(Non-Personal Liability)

STATEMENT OF SOURCE AND APPLICATION OF CONSOLIDATED FUNDS

For the year ended September 30, 1966

(With comparative figures for 1965)

SOURCE OF FUNDS	1966	1965
Operations		
Income for the year.....	\$ 362,390	\$ 291,190
Add depreciation and amortization, charges not requiring an outlay of funds.....	126,379	205,537
	<u>488,769</u>	<u>496,727</u>
Disposal of fixed assets.....	59,556	8,493
Sale of capital stock.....	16,000	18,400
	<u>564,325</u>	<u>523,620</u>
APPLICATION OF FUNDS		
Purchase of fixed assets.....	47,267	136,169
Payments on equipment.....	(16,550)	16,550
Purchase of shares and security deposit.....	19,183	—
Advances to Giant Soo Mines Limited (N.P.L.).....	476,786	10,000
Exploration and development of Canam Copper property.....	63,416	165,581
Purchase of Canam Copper property.....	252,731	—
Mining tax of prior year.....	—	2,861
Dividends paid.....	175,409	279,939
	<u>1,018,242</u>	<u>611,100</u>
DECREASE IN WORKING CAPITAL.....	<u>\$ 453,917</u>	<u>\$ 87,480</u>
Working capital at beginning of year.....	\$ 726,747	\$ 814,227
Decrease in working capital.....	453,917	87,480
Working capital at end of year.....	<u>\$ 272,830</u>	<u>\$ 726,747</u>

GIANT MASCOT MINES LIMITED

(Non-Personal Liability)

STATEMENT OF CONSOLIDATED INCOME

For the year ended September 30, 1966

(With comparative figures for 1965)

MINERAL PRODUCTION	1966	1965
Value of concentrates produced, net of transportation and handling charges.....	\$2,391,891	\$2,333,351
COST OF PRODUCTION AND ADMINISTRATION		
Mining.....	834,770	768,060
Concentrating.....	417,459	403,771
Mining development.....	288,845	321,667
General and administrative.....	141,489	174,075
	1,682,563	1,667,573
	709,328	665,778
ADD		
Interest.....	10,054	20,809
	719,382	686,587
DEDUCT		
New level access.....	226,530	113,066
Depreciation.....	126,379	180,081
Amortization of assets sold (Note 5).....	—	25,456
Investigation of other properties.....	4,083	13,720
	356,992	332,323
INCOME, before income and mining taxes.....	362,390	354,264
INCOME AND MINING TAXES (Note 10).....	—	63,074
INCOME FOR THE YEAR.....	\$ 362,390	\$ 291,190

GIANT MASCOT

(Non-Personal)

(Incorporated under the laws of the State of Nevada)

CONSOLIDATED BALANCE SHEET

September 30, 1966

(With comparative figures for September 30, 1965)

ASSETS		
CURRENT ASSETS	1966	1965
Cash.....	\$ 23,232	\$ 48,554
Funds on deposit.....	—	441,464
Accounts receivable.....	27,020	14,159
Concentrate settlements receivable.....	249,872	221,784
Concentrates on hand, at estimated realizable value.....	273,641	125,561
Supplies on hand, at cost.....	102,063	113,506
Equipment held for future use or sale, at cost.....	86,949	—
Prepaid expenses.....	27,839	31,702
	<u>790,616</u>	<u>996,730</u>
SHARES IN AND ADVANCES TO GIANT SOO MINES LIMITED (NPL) (A Subsidiary Company)		
Shares, at cost (Note 2).....	3,498	—
Amounts to be secured by income debentures (Note 3).....	486,786	10,000
	<u>490,284</u>	<u>10,000</u>
GIANT EXPLORATIONS LIMITED (NPL), 500,255 shares, at cost (Note 4).....	<u>10,775</u>	<u>—</u>
MINING PROPERTIES AND DEVELOPMENT		
Operating Nickel Mine at Hope and sundry properties:		
Mining properties, at cost.....	272,084	270,172
Buildings, plant and equipment, at cost		
less proceeds from assets sold.....	1,330,329	1,349,581
Less accumulated depreciation.....	(792,343)	(665,965)
Canam Copper Property under development:		
Mining properties, plant and equipment, at the value ascribed by the Directors to 1,084,997 shares of the capital stock issued therefor, plus liabilities assumed....	1,337,728	—
Exploration and development expenses, at cost.....	300,711	237,295
Security deposit.....	4,910	—
Unamortized portion of assets sold (Note 5).....	—	59,398
	<u>2,453,419</u>	<u>1,250,481</u>
CHATTEL MORTGAGE.....	<u>—</u>	<u>11,500</u>
	<u>\$ 3,745,094</u>	<u>\$ 2,268,711</u>

APPROVED ON BEHALF OF THE BOARD

"W. C. GIBSON," Director

"P. A. WOOTTEN," Director

MINES LIMITED

(ability)

e Province of British Columbia)

ANCE SHEET (Note 1)

0, 1966

September 30, 1965)

LIABILITIES

CURRENT LIABILITIES

	1966	1965
Accounts payable and accrued liabilities.....	\$ 369,702	\$ 220,309
Notes payable — 6% (Note 6).....	148,084	—
Income and mining taxes payable	—	49,674
	<u>517,786</u>	<u>269,983</u>

SHAREHOLDERS' EQUITY

Capital Stock

Authorized (Note 7)

6,000,000 shares of \$1. par value each

Issued and fully paid (Note 8)

4,615,728..... 4,615,728 3,510,731Share Discount..... 408,600 404,6004,207,128 3,106,131Capital Deficit (Note 5)..... 2,040,819 1,981,4212,166,309 1,124,710

Retained Earnings

Balance at beginning of year..... 874,018 865,628

Net income for the year..... 362,390 291,190

Less dividends paid (Note 9)..... (175,409) (279,939)

adjustment of prior year's earnings..... — (2,861)

1,060,999 874,0183,227,308 1,998,728

The attached Notes are an integral part of
the financial statements.

\$ 3,745,094 \$ 2,268,711

Auditors' Report to the Shareholders of
GIANT MASCOT MINES LIMITED (N.P.L.)

We have examined the consolidated balance sheet of Giant Mascot Mines Limited (N.P.L.) as at September 30, 1966 and the statement of consolidated income for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying consolidated balance sheet and statement of consolidated income present fairly the financial position of the company as at September 30, 1966 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

We have also examined the accompanying statement of source and application of consolidated funds for the year ended September 30, 1966. In our opinion the statement presents fairly the sources and applications of consolidated funds of the company for the year.

Vancouver, B.C.
November 30, 1966

HELLIWELL, MACLACHLAN & CO.,
Chartered Accountants.

GIANT MASCOT MINES LIMITED

(Non-Personal Liability)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

September 30, 1966

1. The consolidated financial statements include the accounts of G. M. Explorations Limited (N.P.L.) and Mascot Minerals Limited (N.P.L.), the company's wholly-owned subsidiaries.

Giant Soo Mines Limited (N.P.L.), a subsidiary incorporated on November 23, 1965, has not been consolidated because of the large minority interest. The balance sheet of this company is presented as a supplement to the financial statements of Giant Mascot Mines Limited (N.P.L.).

2. In consideration for undertaking (i) to put the Giant Soo Mine into commercial production and (ii) to provide the operating company, Giant Soo Mines Limited (N.P.L.), with adequate working capital or to cause it to be so provided, Giant Mascot Mines Limited (N.P.L.) received 60% of the issued shares of Giant Soo Mines Limited (N.P.L.). For the purposes of this agreement, the Giant Soo Mine may be considered as having been placed in commercial production subsequent to balance sheet date.

The cost ascribed to the shares of Giant Soo Mines Limited (N.P.L.) received by Giant Mascot Mines Limited (N.P.L.) consists of incorporation and sundry other expenses attributable to the property.

3. 6% income debentures, payable as to principal and interest out of distributable profits and charging the assets and undertaking of Giant Soo Mines Limited (N.P.L.), are to be issued as a first charge to secure the repayment of the advances made by Giant Mascot Mines Limited (N.P.L.).

No interest income has been recorded in the accounts on this company's advances to Giant Soo Mines Limited (N.P.L.).

4. The company transferred its interest in certain mining properties to Giant Explorations Limited (N.P.L.) and received as consideration therefor 500,000 shares of that company's capital stock, of which 425,000 shares are held in escrow and the remaining 75,000 shares are free from escrow. These shares are recorded in the accounts at the cost to the company of the properties for which the shares were received.

5. Unamortized portion of assets sold has been written off to capital deficit which accounts for the increase in the latter account during the year. Consequently, no charge is made to the income statement for the amortization of this item.

6. Notes payable are secured by charges against the Canam Copper property and equipment.

7. During the year the company increased its authorized capital by the creation of an additional 1,000,000 shares with a par value of \$1.00 each which rank equally with existing shares.

82,000 shares have been reserved for issue under options to certain officers and employees until March 31, 1969 as follows: 66,000 at \$0.80; 16,000 at \$1.40.

8. During the year, 1,104,997 shares were issued as follows: 20,000 for cash under employees' option plan; 1,084,997 for Canam Copper property.

9. The dividend paid was in the form of shares of Giant Explorations Limited (N.P.L.) purchased from the treasury of that company.

10. The accompanying accounts do not reflect any write-offs for depreciation or pre-production, exploration and development expenses relating to the Canam Copper property. However, by claiming for tax purposes maximum capital cost allowances on the Canam Copper property and a portion of the pre-production, exploration and development expenses relating thereto, all taxable income in the company for the year has been eliminated.

11. The remuneration of directors including remuneration as officers and employees, was \$36,000 (1965—\$33,650).

GIANT SOO MINES LIMITED

(Non-Personal Liability)

NOTES TO THE FINANCIAL STATEMENTS

September 30, 1966

1. No provision for the depreciation of fixed assets or the write-off of development and other expenditures has been made in the accounts as the company was not in commercial production until subsequent to balance sheet date.

2. 6% income debentures payable as to principal and interest out of distributable profits and charging the assets and undertaking of the company are to be issued to Giant Mascot Mines Limited (N.P.L.) as a first charge to secure the repayment of the advances made by that company and to Copper Soo Mining Company Limited (N.P.L.) as a second charge to secure the sum of \$90,000 which is payable to that company as part of the acquisition cost.

No interest expense has been recorded in the accounts on the amounts to be secured by income debentures.

3. Giant Mascot Mines Limited (N.P.L.) has undertaken to provide or to cause to be provided adequate working capital for the company.

GIANT SOO M

(Non-Persona

(Incorporated under the laws of the

BALANCE

September

ASSETS

CURRENT ASSETS

Cash	\$ 19,227	
Accounts receivable	4,176	
Concentrate settlements receivable	45,574	
Concentrates on hand, at estimated realizable value	5,594	
Supplies on hand, at cost	6,148	
Prepaid expenses	8,670	\$ 89,389

MINING PROPERTIES AND DEVELOPMENT

Mining properties, at the value ascribed by the directors to 2,000,000 shares of the capital stock issued therefor, with additions (\$91,004) at cost	291,004	
Building, plant and equipment, at the value ascribed by the directors to 1,000,000 shares of the capital stock issued therefor, with additions (\$397,673) at cost	497,673	788,677

DEVELOPMENT AND OTHER EXPENDITURES DEFERRED..... 98,962

\$ 977,028

APPROVED ON BEHALF OF THE BOARD

"W. C. GIBSON," Director

"T. G. WILSON," Director

MINES LIMITED

(Incorporated in the Province of British Columbia)

Balance Sheet
September 30, 1966

LIABILITIES

CURRENT LIABILITIES

Accounts payable and accrued liabilities.....	\$ 100,240
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AMOUNTS TO BE SECURED BY INCOME DEBENTURES

(Note 2)

Giant Mascot Mines Limited (N.P.L.).....	\$ 486,786	
Copper Soo Mining Company Limited (N.P.L.).....	90,000	576,786
		<hr/>

SHAREHOLDERS' EQUITY

Capital Stock

Authorized, issued and fully paid

3,000,000 shares without nominal or par value issued during the period for mining properties, buildings, plant and equipment.....	300,002
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The attached notes are an integral part of the financial statements.

\$ 977,028

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of Giant Soo Mines Limited (N.P.L.) as at September 30, 1966. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying balance sheet presents fairly the financial position of the company as at September 30, 1966, in accordance with generally accepted accounting principles.

Vancouver, B.C.
November 30, 1966

HELLIWELL, MACLACHLAN & CO.,
Chartered Accountants.

